



U.S. Department of Justice

*United States Attorney
Southern District of Indiana*

*10 West Market Street
Suite 2100
Indianapolis, Indiana 46204-3048*

*(317)226-6333
TDD (317)226-5438*

March 1, 2005

*FAX NUMBERS:
Criminal (317)226-6125
Administration (317)226-5176
Civil (317)226-5027
FLU (317) 226-6133
OCDETF (317)226-5953*

CONTACT PERSON:

SUSAN W. BROOKS

United States Attorney

(317) 226-6333

FOR IMMEDIATE RELEASE:

**INDIANAPOLIS MAN SENTENCED TO PRISON IN
MORTGAGE FRAUD SCHEME**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that SCOTT THOMAS EARLYWINE, 39, Indianapolis, Indiana, was sentenced to 20 months imprisonment today by U.S. District Judge Sarah E. Barker following his guilty pleas to one count of conspiracy to commit mail fraud and one count of money laundering. This case was the result of an investigation by the U.S. Postal Inspection Service and the Internal Revenue Service, working as part of the U.S. Attorney's Mortgage Fraud Task Force.

EARLYWINE owned and operated Upscale Mortgage between December 2000 and December 2001. EARLYWINE was the licensed loan broker for Upscale Mortgage and allowed

Earlywine --

December 2000 and December 2001, EARLYWINE and his co-conspirators fraudulently obtained over \$700,000.00 through 21 separate mortgage loan transactions.

The scheme in which EARLYWINE was involved utilized what are commonly referred to as “flip” transactions. EARLYWINE and other individuals provided the money for and purchased (either in their own name or the names of others) houses in low-income areas primarily on the near northeast side of Indianapolis. A very short time after buying the properties at a low fair market price, EARLYWINE and others entered into a second transaction to sell the properties. In the second sale, the sales price far exceeded the value of the property. EARLYWINE and other co-conspirators recruited individuals to buy the properties. They then originated loans to obtain financing for these second purchases. They prepared and submitted to mortgage lenders false loan applications supported by fraudulent bank account information. They also submitted falsely inflated appraisals to induce the lending institutions to make the loans.

In addition to recruiting individuals to buy the properties at falsely inflated prices, EARLYWINE and his co-conspirators also enlisted the aid of title company closing agents to assist them in preparing and processing false settlement statements, and in disbursing the falsely obtained loan proceeds. They also submitted fictitious invoices to support payments to fictitious entities they created. They also “fronted” down payments to the buyers by obtaining cashier’s checks showing the buyers as remitters, in order to make it appear that the buyers were making down payments on the properties when they were not.

Earlywine --

loans fraudulently obtained were not repaid as agreed, are currently in default, and are or have been the subject of foreclosure proceedings.

According to Assistant United States Attorney Susan Heckard Dowd, who prosecuted the case for the government, Judge Barker also imposed two years supervised release following EARLYWINE's release from imprisonment. EARLYWINE was ordered to make restitution in the amount of \$181,935.

###



U.S. Department of Justice

*United States Attorney
Southern District of Indiana*

*10 West Market Street
Suite 2100
Indianapolis, Indiana 46204-3048*

*(317)226-6333
TDD (317)226-5438*

March 1, 2005

*FAX NUMBERS:
Criminal (317)226-6125
Administration (317)226-5176
Civil (317)226-5027
FLU (317) 226-6133
OCDETF (317)226-5953*

CONTACT PERSON:

SUSAN W. BROOKS

United States Attorney

(317) 226-6333

FOR IMMEDIATE RELEASE:

**INDIANAPOLIS MAN SENTENCED TO PRISON IN
MORTGAGE FRAUD SCHEME**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that SCOTT THOMAS EARLYWINE, 39, Indianapolis, Indiana, was sentenced to 20 months imprisonment today by U.S. District Judge Sarah E. Barker following his guilty pleas to one count of conspiracy to commit mail fraud and one count of money laundering. This case was the result of an investigation by the U.S. Postal Inspection Service and the Internal Revenue Service, working as part of the U.S. Attorney's Mortgage Fraud Task Force.

EARLYWINE owned and operated Upscale Mortgage between December 2000 and December 2001. EARLYWINE was the licensed loan broker for Upscale Mortgage and allowed

Earlywine --

December 2000 and December 2001, EARLYWINE and his co-conspirators fraudulently obtained over \$700,000.00 through 21 separate mortgage loan transactions.

The scheme in which EARLYWINE was involved utilized what are commonly referred to as “flip” transactions. EARLYWINE and other individuals provided the money for and purchased (either in their own name or the names of others) houses in low-income areas primarily on the near northeast side of Indianapolis. A very short time after buying the properties at a low fair market price, EARLYWINE and others entered into a second transaction to sell the properties. In the second sale, the sales price far exceeded the value of the property. EARLYWINE and other co-conspirators recruited individuals to buy the properties. They then originated loans to obtain financing for these second purchases. They prepared and submitted to mortgage lenders false loan applications supported by fraudulent bank account information. They also submitted falsely inflated appraisals to induce the lending institutions to make the loans.

In addition to recruiting individuals to buy the properties at falsely inflated prices, EARLYWINE and his co-conspirators also enlisted the aid of title company closing agents to assist them in preparing and processing false settlement statements, and in disbursing the falsely obtained loan proceeds. They also submitted fictitious invoices to support payments to fictitious entities they created. They also “fronted” down payments to the buyers by obtaining cashier’s checks showing the buyers as remitters, in order to make it appear that the buyers were making down payments on the properties when they were not.

Earlywine --

loans fraudulently obtained were not repaid as agreed, are currently in default, and are or have been the subject of foreclosure proceedings.

According to Assistant United States Attorney Susan Heckard Dowd, who prosecuted the case for the government, Judge Barker also imposed two years supervised release following EARLYWINE's release from imprisonment. EARLYWINE was ordered to make restitution in the amount of \$181,935.

###